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SUBJECT: CONTROVERSY GROWS OVER EGYPTIAN GAS EXPORTS TO
ISRAEL

REF: A. 08 CAIRO2373
[1](#)B. 08 CAIRO2257
[1](#)C. 08 CAIRO1359
[1](#)D. 08 CAIRO419

SENSITIVE BUT UNCLASSIFIED. PLEASE HANDLE ACCORDINGLY.

[1](#)1. (SBU) SUMMARY: On January 6, the Lower Administrative Court of Cairo asked the GOE to urgently comply with its November 2008 ruling that gas exports to Israel be stopped (ref A). The November verdict is on hold pending review by the Higher Administrative Court and Court of Urgent Cases, which are poised to hear a complaint from the Egyptian State Lawyers' Authority, arguing that this verdict be dismissed.
END SUMMARY.

[1](#)2. (SBU) On November 18, 2008, the Lower Administrative Court of Cairo issued a verdict calling for the cessation of natural gas exports to Israel, claiming that the export deal violated Article 123 of the Egyptian Constitution, pertaining to the protection and use of natural resources (ref A). The court ruled that the Ministry of Petroleum (MOP) should not have pursued a deal involving natural resources without parliamentary review and approval. The plaintiffs included retired Egyptian Ambassador Ibrahim Yousri and Mohamed Anwar el Sadat, a former MP and nephew of the late President, who represent the "Say No to Natural Gas Loss" citizens' campaign.

[1](#)3. (SBU) The Egyptian State Lawyers' Authority (ESLA) filed a complaint in December to the Higher Administrative Court and to the Court of Urgent Cases, arguing that the Lower Administrative Court did not have the authority to hear a case involving issues of "national sovereignty." The complaint will be reviewed on February 2. Ismail Karara, Undersecretary for Gas Affairs at MOP, told the Egyptian press on January 8 that the Ministry is considering how to proceed if ESLA's complaint is overturned. According to Karara, the Ministry of Justice will represent the GOE if further legal action, such as an appeal to the Higher Administrative Court, is undertaken.

[1](#)4. (SBU) COMMENT: While always unpopular with the political opposition (refs B, C, & D), public disenchantment with Egyptian natural gas exports to Israel has become more vocal since the start of the Gaza incursion. The "Say No to Natural Gas Loss" group's protest outside of the State Council headquarters on January 6 and the Lower Administrative Court's statement of the same day reflect public anger with the ongoing Israeli military intervention in Gaza. The GOE's lack of transparency and defensive posture about its oil and gas export deals has not helped defuse the situation.
SCOBAY